Center for Biological Diversity, et. al.

v.

Doug Burgum, et. al.

Case No. 2:24-cv-05459-MWC-MAA

Exhibit 4

BSEE Decision Letter

United States Department of the Interior
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
Pacific OCS Region
760 Paseo Camarillo, Suite 102
Camarillo, CA 93010-6064

J. Caldwell Flores
President
Sable Offshore Corp.
845 Texas Avenue, Suite 2920
Houston, Texas 77002

Subject: Request for Additional Time to Resume Operations, Santa Ynez Unit

Dear Mr. Flores:

The Bureau of Safety and Environmental Enforcement (BSEE) received a request pursuant to 30 CFR 250.180(e) from Exxon Mobil Corporation (ExxonMobil) on October 19, 2023, seeking additional time to resume operations for the Santa Ynez Unit (SYU) leases.[1] BSEE reviewed this request and initially approved it on November 14, 2023. Prior to issuing that decision, a Non-Governmental Organization submitted a letter related to BSEE's review of ExxonMobil's pending request. At the time, BSEE did not fully consider or address that information in its decision. BSEE has now fully reviewed this additional material and reevaluated its decision.

To grant an extension under 30 CFR 250.180(e), BSEE must determine that operating conditions warrant such a request and that the longer period requested is in the National Interest, and either conserves resources, prevents waste, or protects correlative rights. The National Interest determination is committed to the Secretary's sound discretion and is guided by the Congressional purposes of the Outer Continental Shelf Lands Act (OCSLA). Based on the attached Reevaluation Memorandum (Attachment 1) and considering all information provided, BSEE concludes that operating conditions at SYU warrant the request, the lease extension will serve the National Interest, and approval will conserve resources and prevent waste.

This approval is subject to the following conditions:

1. Sable Offshore Corp. (Sable), as the current designated operator for SYU, must implement the mitigation measures described in Enclosure 1 to minimize and avoid environmental impacts to the greatest extent practicable.
2. Sable must continue to pay minimum royalty for the Unit leases as long as this approval is in effect.
3. This approval can be revoked at any time if BSEE determines that the circumstances that warranted the approval no longer exist.

[1] The SYU includes leases: OCS-P 0180, 0181, 0182, 0183, 0187, 0188, 0189, 0190, 0191, 0192, 0193, 0194, 0195, 0326, 0329, and 0461. After ExxonMobil submitted its October 19, 2023, request, Sable Offshore acquired the SYU leases and associated platforms and pipelines.

Should you have any questions please contact Nathan Sinkula at 805-384-6366 or John Bain at 805-384-6376.

Sincerely,

ROBERT KURTZ

Digitally signed by ROBERT KURTZ
Date: 2025.05.29 20:06:24 -07'00'

Bobby Kurtz
Regional Supervisor
Office of Production and Development

Enclosure 1: Mitigation Requirements

Attachment 1: Memorandum for the Regional Supervisor - Reevaluation of the Santa Ynez Unit Lease Extension

Enclosure 1

Mitigation Requirements
Request for Additional Time to Resume Operations, Santa Ynez Unit

General Compliance:

- Within 30 days of issuance of BSEE's decision, Sable will submit to BSEE for approval an environmental compliance monitoring plan to monitor and track compliance with all environmental protection mitigation measures incorporated into this Project. Mitigation measures include those described in this analysis and any other conditions of the Project. Sable's plan will specify submittal dates to report progress to BSEE in ensuring operations were conducted in accordance with the approved plan and supporting information, noting any deviations.
- If Sable needs to make a change outside of the Project scope or if there is an emergency impact to biological resources, Sable must contact BSEE immediately.

Benthic Resources; and Fishes and Essential Fish Habitat

- Sable will avoid anchoring vessels during lease activities.
- Sable will keep a log for all materials lost overboard and report them to BSEE per regulations.

Marine Mammals and Sea Turtles

- Collision Reporting (as soon as practicable): If an oil and gas vessel collision occurs with marine mammals or sea turtles, the Operator must report the collision to:
  - NMFS West Coast Region Marine Mammal and Sea Turtle Stranding Coordinator: Justin Viezbicke at (562) 980-3230 or justin.viezbicke@noaa.gov.
  - BSEE Pacific Region Environmental Officer: James Salmons at (805) 384-6307 or james.salmons@bsee.gov
- Annual Reporting on vessel use, beginning immediately and for each calendar year, must be submitted by March 1 of the following year, to the BSEE Pacific Region Environmental Officer, including:
  - Routine/daily vessel activity: Hours of oil and gas vessel operation, by vessel type, including length of vessel.
  - Non-routine/additional vessel activity: Hours of oil and gas vessel operation, by vessel type, including length of vessel.
- Operator will use tools such as whalesafe.com (https://oceantoday.noaa.gov/help-whales/) or the Whale Alert app (https://www.whalealert.org/) or the Ocean Alert app to minimize potential vessel strike risks to marine mammals.
- Operator will provide marine mammal, sea bird, and commercial fishing awareness training to all personnel participating in lease activities.
- All service vessels will comply with the Oil Service Vessel Traffic Corridors as shown on the appropriate NOAA charts.

- Protected species observers and/or trained crew members will be required to be on watch to observe for marine mammals and sea turtles on vessels transiting to and from or in the action area to warn vessel operators of any marine mammals or sea turtles to minimize the risk of vessel strikes.

Commercial Fishing

- Operator will consult with the Joint Oil/Fisheries Liaison Office (JOFLO) to minimize space-use conflicts associated with marine vessel traffic.
- Notice to Mariners: The SYU Operator will file an advisory with the local USCG District Office, with a copy to the Long Beach Office of the State Lands Commission for publication in the Local Notice to Mariners regarding offshore activities and will place a similar notification in all Santa Barbara Channel ports that support commercial fishing vessels regarding lease activities.
- All service vessels will comply with the Oil Service Vessel Traffic Corridors as shown on the appropriate NOAA charts available from JOFLO.

Attachment 1

MEMORANDUM FOR THE REGIONAL SUPERVISOR

FROM: Office of Production & Development

SUBJECT: Reevaluation of Santa Ynez Unit Lease Extension

On October 19, 2023, the Bureau of Safety and Environmental Enforcement (BSEE) received a request from Exxon Mobil Corporation (ExxonMobil) pursuant to 30 CFR 250.180(e) seeking additional time to resume operations for the Santa Ynez Unit (SYU) leases offshore Santa Barbara, California.[1] BSEE reviewed this request and initially granted it on November 14, 2023. Prior to issuing that decision, a Non-Governmental Organization submitted a letter related to BSEE's review of ExxonMobil's pending request. At the time, BSEE did not fully consider or address that information in its decision. BSEE has now fully reviewed this additional material, completed a supporting environmental assessment (EA), and reevaluated the prior lease extension decision based on that review.

SYU Background

The SYU leases were issued between 1968 to 1982 and are all beyond their primary term. The SYU is comprised of 16 Outer Continental Shelf (OCS) leases offshore California between Point Conception and Naples. Over time, SYU has grown to be the largest operation in the Pacific OCS Region, with cumulative production of 500 million barrels of oil since 1981 and daily production of about 29,000 barrels per day in May 2015. On May 19, 2015, the Plains All-American Pipeline (PAAPL) Line 901, located onshore north of Santa Barbara, ruptured and oil spilled into the local environment near Refugio Creek. During the subsequent pipeline repairs, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Corrective Action Order (CAO) removing PAAPL Line 901 from service. Furthermore, PHMSA also ordered PAAPL Line 903, which accepts the oil transported via Line 901, to be removed from service. As a result, all wells in SYU were shut-in on June 16, 2015. The CAO issued by PHMSA was closed-out and rolled into a stipulated federal judgment (Consent Decree), which was approved by eleven federal and state agencies and the U.S. District Court for the Central District of California (Los Angeles) in October of 2020, and established the California Office of the State Fire Marshall (OSFM) as the primary regulatory agency for oversight of the onshore Lines 901 and Line 903 (currently named the Las Flores Pipeline System, Lines CA-324 and CA-325).

[1] The SYU includes leases: OCS-P 0180, 0181, 0182, 0183, 0187, 0188, 0189, 0190, 0191, 0192, 0193, 0194, 0195, 0326, 0329, and 0461. After ExxonMobil submitted its October 19, 2023, request, Sable Offshore acquired SYU leases and associated platforms and offshore and onshore pipelines.

On November 19, 2015, ExxonMobil submitted a request pursuant to 30 CFR 250.180(e) seeking more than 180 days to resume operations for SYU, as lease holding operations of production in paying quantities were unable to resume until Lines 901 and 903 were restored to normal operating conditions, a replacement pipeline was constructed, or an alternative transportation method, such as trucking was approved by the local permitting authorities. Specific to the 30 CFR 250.180(e) lease extension request, ExxonMobil sought 365 days of additional time to resume operations. BSEE approved the request on December 10, 2015,, allowing ExxonMobil through December 14, 2016, to resume lease holding operations, after determining that extending the term for the SYU leases would benefit the National Interest of the United States. ExxonMobil sought subsequent extensions on an annual basis, from 2016-2023 and BSEE granted those requests as ExxonMobil worked towards restoring onshore transportation for oil produced at SYU.

Since the SYU was shut-in in June 2015, BSEE has required ExxonMobil to comply with an approved preservation plan to ensure the ongoing structural and operational integrity of the OCS facilities and pipelines at SYU. BSEE has maintained a rigorous inspection program to ensure regulatory compliance, environmental protection, and safety of the idled SYU Platforms (Hondo, Harmony, and Heritage). BSEE staff conducted more than 700 inspections from January 2015 through November 2023 at SYU to ensure ExxonMobil had been conducting maintenance and monitoring operations as required by the preservation plan. Platform structural surveys continued, as required by 30 CFR 250.198(e)(57), 30 CFR 250.901(a)(7), and 30 CFR § 250.919(a), and conformed to API RP 2A-WSD inspection standards. The structural surveys included both above-water and below-water corrosion inspection, cathodic protection verification, and remotely operated vehicle (ROV) analysis of subsurface platform structures and pipelines. ExxonMobil completed Level I structural surveys annually since 2015 and a Level II ROV survey in 2019.[2]

Similarly for OCS pipelines, during the time period at issue, the BSEE maintained a rigorous inspection program to ensure regulatory compliance and safety. The BSEE Pacific OCS Region's Pipeline Integrity Management Program requires both internal and external inspections be conducted in alternating years pursuant to 30 CFR 250.1005(a).[3] These internal inspections utilize high-resolution smart pigging tools to analyze the condition of the pipelines by detecting and measuring any corrosion, metal loss, dents, leaks or curvatures in the pipe, while the external surveys utilize ROV or side scan sonar analysis of the pipeline, pipeline risers and riser clamps, pipeline supports, marine debris, or any other object which might constitute a pipeline safety concern or hazard. A cathodic protection survey was also conducted in conjunction with each external ROV survey to measure anode outputs on the pipelines. Based on the results of all these

[2] Sable has continued to comply with the preservation plan requirements since taking over the SYU leases, and has completed a Level I survey, a Level II survey, a Level III survey and a Level IV survey in 2024.
[3] The most recent ROV and in-line inspections of the offshore pipelines were completed in 2023 and 2024.

pipeline surveys, all SYU OCS pipelines have been deemed to be compliant with BSEE's pipeline operating standards.

Non-Governmental Organization Letter

On October 19, 2023, BSEE received the most recent 30 CFR 250.180(e) request from ExxonMobil seeking additional time to resume operations for the SYU leases. BSEE reviewed the request and granted approval on November 14, 2023.

Prior to the 2023 request, and subsequent approval, the Center for Biological Diversity (CBD) sent a letter, dated February 8, 2023, stating BSEE's prior approvals had failed to demonstrate the lease extensions were in the National Interest and claimed that they were in fact antithetical to the National Interest. CBD also claimed that BSEE failed to conduct necessary environmental reviews required by the National Environmental Policy Act (NEPA). In response to concerns raised by CBD, BSEE has reconsidered its National Interest determination based on the issues raised in the February 8, 2023 CBD letter and requested the Bureau of Ocean Energy Management (BOEM) prepare an (EA) for the SYU lease extension request. CBD's listed concerns included impacts related to climate change, environmental justice, endangered species, critical areas, and environment protection given the numerous risks of offshore oil and gas drilling. CBD specifically cited oil spill risk, age of infrastructure, and air emissions as areas of concern.

Lease Extension Analysis

To grant an extension under 30 CFR 180(e), BSEE must determine that operating conditions warrant such a request and that the longer period requested is in the National Interest, and either conserves resources, prevents waste, or protects correlative rights. The National Interest determination is committed to the Secretary's sound discretion and is guided by the Congressional purposes of the Outer Continental Shelf Lands Act (OCSLA) and 43 U.S.C. § 1802 (2006), including to:

(1) establish policies and procedures for managing the oil and natural gas resources of the OCS which are intended to result in expedited exploration and development of the OCS in order to achieve national economic and energy policy goals, assure national security, reduce dependence on foreign sources, and maintain a favorable balance of payments in world trade; and,

(2) preserve, protect, and develop oil and natural gas resources in the OCS in a manner which is consistent with the need (A) to make such resources available to meet the Nation's energy needs as rapidly as possible, (B) to balance orderly energy resource development with protection of the human, marine, and coastal environments, (C) to insure the public a fair and equitable return on the resources of the OCS, and (D) to preserve and maintain free enterprise competition.

Based on the following analysis of the required factors for lease extension approval, and considering all information provided, BSEE concludes that operating conditions at SYU justify

the request, a lease extension will serve the National Interest, and approval will conserve resources and prevent waste.

Operating Conditions: Pipeline Transportation

After the 2015 pipeline rupture, both PAAPL and ExxonMobil undertook considerable efforts to reestablish transportation for continued SYU production. In August 2017, PAAPL submitted a permit application to the Santa Barbara County, Planning and Development Organization (SBC P&D) to replace Lines 901 and 903, but did not receive approval. [4] PAAPL owned the Line 901 and Line 903 pipelines until October 14, 2022, when Pacific Pipeline Company (PPC) – a subsidiary of ExxonMobil – acquired the pipelines from PAAPL and renamed the system the Las Flores Pipeline. After acquiring the asset, PPC conducted extensive inspections and testing of the existing Las Flores Pipeline system to identify any additional maintenance needs to comply with the Consent Decree and safely return the pipeline to service.[5]

In the second quarter of 2023, PPC sought permission from the Santa Barbara County Planning Commission to install safety valves on the Las Flores Pipeline to comply with state regulations promulgated by Assembly Bill (AB) 864, which required safety retrofits of pipelines located within the coastal zone. The Planning Commission denied the permits, leading PPC to appeal to the County Board of Supervisors (BoS), who took no action to overturn the Planning Commission's denial decision. Despite this, PPC worked with OSFM to ensure pipeline safety mitigations met or exceeded compliance with AB 864, pertaining to their requested state waiver to resume operations. State waivers are used to set conditions to meet or exceed regulatory requirements through alternative measures. In April 2024, PPC applied to OSFM for a state waiver to resume operations, as required by the Consent Decree.[6] The use of the state waiver would ensure a greater level of safety than current regulatory stipulations. PHMSA determined that the proximate or direct cause of the release was progressive external corrosion of the insulated, buried steel pipeline. Line 901 had met prior regulatory guidelines for cathodic protection, but those standards were proven to be insufficient for the specific pipeline design. Cathodic protection (CP) is required to prevent external corrosion of buried pipelines. Historical CP records for Line 901 revealed protection levels that typically are sufficient to protect non-insulated, buried, coated steel pipe. However, Line 901 and Line 903 are insulated, and a waiver of the CP requirements would allow a more appropriate standard to be applied to this specific type of pipeline.

[4] PPC withdrew the replacement application on October 24, 2023

[5] Sable acquired PPC on February 14, 2024

[6] On December 17, 2024, OSFM approved the state waivers for CA-325 A/B and for CA-324 (former PAAPL Lines 903 and 901) establishing 68 and 67, respectively, conditions that the pipeline operator will need to maintain in order to operate the lines.

Operating Conditions: Trucking Transport

ExxonMobil sought approval to transport the oil production from the SYU by truck as an alternative to pipeline transportation. In September 2017, ExxonMobil submitted an interim trucking permit application to SBC P&D, seeking to transport SYU production temporarily by truck while the pipelines remained out of service. In August and September 2021, the SBC P&D finalized its Supplemental Environmental Impact Report and staff report recommending approval of the project. In November 2021, the Planning Commission voted 3 to 2 to recommend that the BoS deny the trucking project permit, and on March 8, 2022, they presented the reports and recommendations to the BoS for their consideration. The BoS voted 3 to 2 to deny the trucking project permit.

ExxonMobil's inability to acquire permission to transport by truck combined with the inability to produce through the former export pipelines created exigent operating conditions for ExxonMobil that prevented it from resuming production.

National Interest Considerations

According to the United States Department of Energy, California ranks as the second highest state in the country for oil consumption and is highly dependent on imported oil and gas. In 2022, California consumed about 500 million barrels of oil, with imports accounting for 75% of supply. While California has implemented nation-leading fuel efficiency standards for personal and commercial automobiles, annual crude oil consumption has remained above 500 MMBO per year for the last 40 years due to population growth. All oil produced from Pacific OCS Region leases is used within California. Consequently, continued oil and gas extraction from SYU ensures local access to domestic supplies of crude oil to meet California's and the Nation's energy needs while decreasing reliance on, and geopolitical risk associated with foreign-sourced oil from countries such as Saudi Arabia, Brazil, Iraq, Guyana, and the United Arab Emirates, as well as minimizing the environmental impact of transporting foreign-produced oil across great distances. Federal OCS production accounts for 3% of California's daily production, and should full-scale production resume at SYU, that could increase to 10%.

Furthermore, extending the SYU leases would maximize the ultimate recovery from semi-depleted reservoirs in the Hondo, Pescado, and Sacate Fields from existing infrastructure, while providing an equitable financial return for the public. Based on historical oil prices, the remaining recoverable resources are valued at or around ~$13 Billion, with $2 Billion in federal royalties anticipated from future production at SYU.

California is presently diversifying its energy portfolio through a multi-decade plan that requires maintaining access to reliable current energy supplies. CBD's letter references the United Nations Intergovernmental Panel on Climate Change's (IPCC) 2022 report, which states the need to minimize investment in new fossil fuel infrastructure. SYU represents an opportunity to assist in California's transition by supplying energy from existing, developed oil and gas fields that

have been in operation since the 1980s. Utilizing existing facilities also minimizes local disturbances to the seabed, as the pipelines, platforms, and wells are already in place offshore, and any new drilling will likely take place by sidetracking current wells or drilling from pre-installed conductors.

Prior to the SYU shut-in, in 2014, oil & gas production from Platforms Hondo, Harmony, and Heritage resulted in $181 million in annual royalties paid to the United States Treasury and $4.6 million in royalty sharing between the Federal government and California pursuant to the Outer Continental Shelf Lands Act 8(g). As BSEE understands, ExxonMobil has also contributed significant taxes to Santa Barbara County, including approximately $45 million in taxes during the decade prior to the SYU shut-in. According to the California Economic Forecast, a re-start of SYU would add more than 200 high-paying jobs in Santa Barbara County, provide several million dollars in funding for Santa Barbara County K-14 schools – many of which provide critical educational services to underserved communities, and contribute about $1 million per year in funding to the Santa Barbara County Fire Department and Lompoc Valley Medical Center for staffing, training, and emergency response needs.

In considering the extension request, BSEE has also evaluated the associated risks of future production, including the risk of an oil spill. For SYU production, the Worst Case Discharge (WCD) for a loss of well control event is estimated to be 33,986 barrels of oil per day/day. Oil spill risk is mitigated through BOEM's WCD analyses and BSEE review and approval of commensurate Oil Spill Response Plans (OSRP). The analysis determined the WCD for SYU to be 32,592 gallons from a pipeline close to the SYU platforms and 260,820 gallons from a pipeline close to the onshore LFC facility. For context, in comparison to a WCD event, approximately 7,350 gallons (175 barrels) of natural oil seepage already occurs in the Santa Barbara Channel daily, and production from offshore platforms has been proven to reduce fluid flux from natural oil seeps due to diminished pressure in shallow reservoirs in communication with the seafloor.

As required by the 1972 Clean Water Act and the 1990 Oil Spill Pollution Act, ExxonMobil's BSEE-approved OSRP includes annual announced oil spill response deployment drills at SYU platforms performed by BSEE Oil Spill Preparedness Division personnel and inspectors, including the deployment of oil spill response vessels and verification of all associated equipment on the platforms. BSEE also conducts unannounced drills at Pacific OCS platforms every 4 years. All OSRPs require contracts with the Oil Spill Response Organization which maintains a fleet of 4 oil spill response vessels in nearby Southern California harbors that are manned 24-hours a day.

CBD also raised concerns regarding the age of infrastructure at SYU, including platforms and pipelines. Ongoing maintenance is required on the three SYU platforms, including equipment inspections onshore and offshore, continued preventative maintenance to preserve the integrity of equipment, including repairs, operation of required safety and utility systems, rotating motors,

internal inspections, maintenance of lube oil systems, and inspections of subsea structures and pipelines. There is no indication that the age of infrastructure has contributed to recent oil spills in the region. For reference, total oil discharges from SYU into OCS waters over the four-decade production history total fewer than 10 barrels of oil. Cathodic protection and pipeline leak detection systems are required for all oil pipelines in the Pacific OCS Region to mitigate pipeline corrosion and limit the impacts of any unforeseen leak.

BSEE staff conducted more than 700 inspections from January 2015 through November 2023 at SYU. During platform visits, BSEE inspectors visually inspect platforms and the pipelines and conductors that descend from them for any structural issues. While the SYU facilities remained shut-in since June 2015, ExxonMobil adhered to the previously mentioned, BSEE-approved facility preservation plans and was subjected to a rigorous inspection schedule of both onshore and offshore facilities. During this time, BSEE staff issued 27 Incidence of Non-Compliance (INC) for operating violations relating to corrosion, safety and production equipment, and oil/gas storage. All INC violations were promptly resolved through remediation by ExxonMobil and confirmed through re-inspection by BSEE staff. During this time, ExxonMobil maintained its status as the highest-performing Pacific OCS Region operator in terms of safety and environmental protection, minimizing facility INC citations and maintaining an active OSRP. BSEE continues to require a rigorous inspection schedule for SYU facilities.

Environmental Considerations

BSEE has prepared an EA to consider the potential environmental impacts of rendering a decision on the lease extension request, including returning to production activities. The EA analyzes the following environmental factors, to include those affecting public health, climate, surrounding ecologically-significant or critical areas, and communities. The findings associated with approving the lease extension is as follows:

> *Air quality*: Resuming production on the SYU facilities will result in emissions of criteria pollutants: nitrogen oxides, carbon monoxides, sulfur oxides, particulate matter, reactive organic gases, and greenhouse gases from various operational activities (e.g., use of combustion engines, flaring operations, fugitive emissions, pigging, pipeline operations, tank and process operations, etc.). Santa Barbara County Air Pollution Control District regulates these emissions through Permits to Operate (Platform Hondo (#9100), Platform Harmony (#9101), and Platform Heritage (#9102)), which establish limits for allowable emissions and requires each platform to offset operational net emission increases for criteria pollutants (excluding GHG). The EA concluded that projected air emissions from production at the SYU facilities are expected to be short term, to disperse quickly, and are not anticipated to exceed any Federal air quality standards. Accordingly, BSEE does not anticipate that resuming production at the SYU will result in public health impacts from resultant air emissions.

The greenhouse gas emissions from the SYU operations will come from primarily combustion engines from vessels and auxiliary equipment. Permitted annual carbon dioxide emissions from the project are 0.0774 million metric tons of carbon dioxide equivalent (MMTCO2e), which represents 0.02% of the emissions from greenhouse gas emitting activities state-wide in 2022 (371.1 MMTCO2e). The small annual contribution of greenhouse gas emissions from the SYU indicates that this project will not appreciably contribute to global climate emissions.

GHG lifecycle emissions: Carbon dioxide, methane, and nitrous oxide emissions were quantified during upstream, midstream, and downstream stages of the Proposed Action. The analysis concluded that if SYU returns to production, the changes to the energy market will result in a small increase in GHG emissions.

Benthic resources: Bottom disturbing activities from resumption of production at the SYU facilities include pipeline repairs, vessel anchoring from service support vessels, and marine debris, which could have impacts to sensitive benthic resources within the SYU (e.g., soft and hard bottom habitats, federally listed endangered invertebrates). The EA indicates impacts from bottom disturbing activities to be temporary and local in nature and not impacting benthic resources. Placing vessel anchors an approved distance from identified benthic resources (based on survey data), or avoiding anchoring completely will minimize impacts to benthic resources.

Fishes and essential fish habitat: Resuming production at the SYU facilities may disturb managed fish species, including two federally listed as endangered fish species (i.e., west coast steelhead and tidewater goby), found within the SYU due to pipeline repairs, vessels, artificial light, and marine debris. Impacts from these activities are expected to be local, difficult to distinguish from background variability, and are not expected to detectably affect regional fish populations, including Endangered Species Act (ESA)-listed species, or habitats, including EFH.

Marine mammals and sea turtles: The activities involved with resumed production that are of primary concern to protected marine mammals (i.e., various whale species, Guadalupe fur seal) and sea turtles (i.e., leatherback, loggerhead) are mainly ongoing maintenance operations or operations that are temporary in nature (e.g., pipeline repairs, vessel transit activity). Overall, the EA findings suggest impacts to marine mammals and sea turtles resulting from these activities are not significant.

Marine and coastal birds: Artificial lighting and noise from resuming production could potentially affect marine and coastal birds. Impacts on birds from noise will be transitory, temporary, and localized. Lights on existing platforms have not been shown to significantly affect marine birds (over the last 40 years); and lighting from vessels will comply with USCG navigation light requirements.

Threatened and endangered species: Resuming production will result in activities that lead to vessel traffic, noise, artificial lighting, and bottom disturbance which may impact ESA-listed species. Given the temporary and localized nature of impacts, they will likely be undetectable to ESA-listed fish and invertebrate species. ESA-listed marine birds are unlikely to occur within the SYU area. Finally, new or additional impacts to protected marine mammal and sea turtle species are not anticipated and will not significantly impact these species.

Commercial fishing: Increases in vessel traffic, marine debris, preclusion from fishing grounds, and damaged fishing gear are the primary concerns related to commercial and recreational fisheries from resuming production. Impacts to fisheries (commercial and recreation) will be minimal due to the operator's adherence to regulatory requirements for reducing marine debris and their communication with the Joint Oil-Fisheries Liaison Office.

Water quality: Discharges into the ocean associated with SYU activities are regulated by the U.S. Coast Guard (USCG) and the Environmental Protection Agency (EPA). The USCG regulates routine vessel discharges via the Federal Water Pollution Control Act. The EPA regulates permitted discharges from the SYU facilities through issuance of National Pollutant Discharge Elimination System (NPDES) permits. Platform discharges are not anticipated to be detectable or to exceed permitted allowances. All produced water will be injected sub-seabed, so no produced water will discharge into marine waters. Increased turbidity may occur from some activities associated with the Proposed Action, but would be temporary and short-term, and impacts on water quality would be limited and localized.

Accidental Oil Spills: The oil spill risk analysis concluded that a catastrophic oil spill event is not reasonably certain to occur on the Pacific OCS. The EA evaluated the potential impacts of small spills (50 bbl or less), an *indirect* effect of the proposed action, on benthic resources; fishes and essential fish habitat; marine mammals and sea turtles; and coastal and marine birds and concluded that these small spills would not significantly impact these resources. These small spills would be minimal compared to the oil output from the natural oil seeps in the Santa Barbara Channel (assumed to be 100 bbl daily based on scientific studies).

Marine protected areas: No SYU OCS infrastructure exists within the boundaries of any marine protected area. A SYU power cable and pipeline cross state waters inside the Chumash Heritage National Marine Sanctuary (CHNMS); however, BSEE does not regulate that section of the pipeline. The EA assumes that vessel operators and Sable adhere to the requirements of their discharge permits. Therefore, the EA found no impacts to marine protected areas from resumption of production at the SYU facility. If any OCS activity for the SYU has the potential to disturb the seabed within the sanctuary

or to result in discharges that could enter and harm the sanctuary these activities must comply with the sanctuary's implementing regulations and may require additional review and authorization by the CHNMS Director.

In addition to evaluating the potential environmental impacts associated with approving the lease extension with a return to production, the EA also evaluated the potential impacts of denying the lease extension request (Alternative B in the EA) and of taking no action (Alternative C in the EA). All alternatives presented environmental risk and impacts to environmental resources; however, the EA concluded all impacts to be insignificant. BSEE determined, based on its review of the EA and supporting documents, that approval of the lease extension and a return to production at the SYU will not significantly affect the quality of the human environment.

To protect any potential impacts on matters related to the National Interest, certain mitigations and best practices will be issued as conditions of the decision to minimize and avoid environmental impacts to the greatest extent practicable:

General Compliance:

- Sable will submit to BSEE for approval an environmental compliance monitoring plan to monitor and track compliance with all environmental protection mitigation measures incorporated into this decision. Sable's plan will specify submittal dates to report progress to BSEE in ensuring operations were conducted in accordance with the approved plan and supporting information, noting any deviations.
- If Sable needs to make a change to the conditions of this decision, or if there is an emergency impact to biological resources, Sable must contact BSEE immediately.

Benthic Resources; and Fishes and Essential Fish Habitat

- Sable will avoid anchoring vessels during lease activities.
- Sable will keep a log for all materials lost overboard and report them to BSEE per regulations.

Marine Mammals and Sea Turtles

- Collision Reporting (as soon as practicable): If an oil and gas vessel collision occurs with marine mammals or sea turtles, the Operator must report the collision to:
  - NMFS West Coast Region Marine Mammal and Sea Turtle Stranding Coordinator: Justin Viezbicke at (562) 980-3230 or justin.viezbicke@noaa.gov.
  - BSEE Pacific Region Environmental Officer: James Salmons at (805) 384-6307 or james.salmons@bsee.gov
- Annual Reporting on vessel use, beginning immediately and for each calendar year, must be submitted by March 1 of the following year, to the BSEE Pacific Region Environmental Officer, including:
  - Routine/daily vessel activity: Hours of oil and gas vessel operation, by vessel type, including length of vessel.
  - Non-routine/additional vessel activity: Hours of oil and gas vessel operation, by vessel type, including length of vessel.

- Operator will use tools such as whalesafe.com (https://oceantoday.noaa.gov/help-whales/) or the Whale Alert app (https://www.whalealert.org/) or the Ocean Alert app to minimize potential vessel strike risks to marine mammals.
- Operator will provide marine mammal, sea bird, and commercial fishing awareness training to all personnel participating in lease activities.
- All service vessels will comply with the Oil Service Vessel Traffic Corridors as shown on the appropriate NOAA charts.
- Protected species observers and/or trained crew members will be required to be on watch to observe for marine mammals and sea turtles on vessels transiting to and from or in the action area to warn vessel operators of any marine mammals or sea turtles to minimize the risk of vessel strikes.

<u>Commercial Fishing</u>

- Operator will consult with the Joint Oil/Fisheries Liaison Office (JOFLO) to minimize space-use conflicts associated with marine vessel traffic.
- Notice to Mariners: The SYU Operator will file an advisory with the local USCG District Office, with a copy to the Long Beach Office of the State Lands Commission for publication in the Local Notice to Mariners regarding offshore activities and will place a similar notification in all Santa Barbara Channel ports that support commercial fishing vessels regarding lease activities.
- All service vessels will comply with the Oil Service Vessel Traffic Corridors as shown on the appropriate NOAA charts available from JOFLO.

Conservation of Resources and Prevention of Waste

As of June 2024, proved oil and gas reserves within State and Federal onshore/offshore in California total approximately 2.2 billion barrels (EIA, 2024), with 231 million barrels of oil on Federal OCS leases. Leases within SYU contain 80% of the Pacific OCS Region's remaining recoverable reserves (190 MMBO), and almost 9% of recoverable reserves for all of California, and ~3% of all reserves in the OCS. As mentioned previously, Federal OCS production accounts for 3% of California's daily production; a total that would increase to 10% should production resume at SYU. BSEE prioritizes the efficient and sustainable use of resources on the OCS and believes that granting this lease extension request will promote resource conservation by ensuring the oil and gas within SYU is not wasted and is produced to the maximum possible extent as outlined by the amended 1978 OCSLA.

Conclusion and Conditions

It is the policy of the United States that the OCS is a vital national resource reserve held by the Federal Government for the public, which should be made available for expeditious and orderly development, subject to environmental safeguards. The oil and gas resources of the OCS are limited, non-renewable resources that must be developed in a manner which takes into consideration the Nation's long-range energy needs (43 USC § 1332(3)).

Continued production from SYU will yield major economic benefits, including through royalties, and local job creation with minimal impact to the environment. Approving the SYU lease extension will encourage conservation by promoting maximum recovery of resources and prevent waste of 190 MMBO of proven oil and gas reserves offshore California. The oil reservoirs at SYU comprise roughly ~3% of the total United States OCS reserves and are vital to meeting the Nation's energy needs. Continued oil and gas recovery from SYU will reduce reliance on foreign oil imported to the California market and will ensure the public a fair and equitable return on mineral resources recently valued at about $13 Billion.

ExxonMobil and Sable have been diligent in their ongoing efforts to address the operating conditions at SYU. The SYU offshore pipelines and facilities have a proven track record of safe and reliable operations and continue to adhere to all required federal regulatory standards, including an approved OSRP.

Production from the SYU is well established and will minimally disturb the land, local communities, or seabed, while reducing the need for new oil and gas installations and foreign-oil imports to California and the Nation. Based on the environmental analysis prepared by BSEE and BOEM, oil and gas production from SYU will have no significant impact on the environment. BSEE has therefore determined that approving the SYU lease extension to be in the National Interest, and minimizes waste and promotes resource conservation. This approval is subject to compliance with the conditions stated above.